FISCAL NOTE

HB 1727 - SB 1960

March 2, 2009

SUMMARY OF BILL: Mandates the coverage of treatment for lymphedema including compression garments and complete digestive therapy by all individual and group health insurance policies, health maintenance organizations, and any self-insured group arrangements not preempted by federal law.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Increase Local Expenditures – Exceeds $100,000*

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation will have a significant impact on the cost of health insurance premiums for plans that do not currently cover lymphedema therapy. Such is estimated to exceed $100,000.

Assumptions:

- The Department of Commerce and Insurance would regulate the mandated coverage for treatment of lymphedema by reviewing and approving forms, policies, and contracts. Any cost can be accommodated within existing resources without an increased appropriation or reduced reversion.
- According to the Department of Finance and Administration, the State, Local Education, and Local Employee Health Plans currently offer coverage for lymphedema therapy when medically necessary.
- The TennCare program currently offers coverage for lymphedema therapy when medically necessary.
- The bill will not override any coverage decisions based on medical necessity resulting in no fiscal impact to state or local governments.
- Local governments which do not opt into the state sponsored health plan could incur an increase in expenditures estimated to exceed $100,000.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

James W. White, Executive Director

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